NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5



PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this	day i	of <i></i>	/			_, 2008, by and between
Bentrice M. Glover, As	well peren		1			
whose addresss is 3765 SAU Rose	Drive F	ort Wort	h, lexits	76119		as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ro	oss Avenue, Suit	e 1870 Dalla:	s Texas 75201, a	s Lessee. All printe	d portions of this lease w	ere prepared by the party
hereinabove named as Lessee, but all other provision	s (including the c	ompletion of bl	ank spaces) were	prepared jointly by t	essor and Lessee.	A. Lange Har C. Barrier
 In consideration of a cash bonus in hand described land, hereinafter called leased premises; 	paid and the cov	renants herein	contained, Lesso	or hereby grants, le	ases and lets exclusively	to Lessee the following
to to the state of						
• 199 ACKES OF LAND, MORE OR	LESS, BEING	J LOT(S)	E.		BLOCK,	17
OUT OF THE Buton Acres	,	(-/		ADDITIO	N, AN ADDITION	TO THE CITY OF
Fort Worth, TexAs	TARRANT	COLINTY	TEXAS ACC			
IN VOLUME \$88-10 PAGE	19	000,1,1,	VETLE OLAT	DECORDS OF	TARRANT COU	ULA LELVAC
11 1 0 0 0 mb 5 8 3 20 ,1 AOB			M. TITTER POST	KLCOKD3 O	MICHANI COO	111, 1527/20.
in the County of $\overline{Tarrant}$, State of TEXAS, contei	100	******	- mora ar lana Di	saludian anu interna	te therein which Loseer	nav horoellot ecquire by
reversion, prescription or otherwise), for the purpose	of exploring for	gross acres	s, more or ress (ii	iciuumy any imeres rkaling oil and gas	done with all hydrocarb	on and non-hydrocarbon
substances produced in association therewith (incl.						
commercial gases, as well as hydrocarbon gases.						
land now or hereafter owned by Lessor which are co						
Lessor agrees to execute at Lessee's request any add						
of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.						

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of Five_(5)years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be $\underline{Twenty-Five}$ (25%) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be Twenty-Five (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there Is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either purchases nereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells are shut-in or production there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall returned the sevent and the production is the production of such operations or production. Lessee's failure to properly pay shut-in royalty shall returned the sevent label for the amount due, but shall not operate to terminate this lease.

lands pooled therewith, no shul-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shul-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shul-in royalty payments under this lease shall be paid or tendered to Lessor's credit in _at lessor's address above_ or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Malls in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fall or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another Institution as depository agent to receive payments.

5. Except as provided for in l'aragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 8 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force it Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force so long as any one or more of such operations are produc

leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lesses shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lesses deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or or similar pooling authority exists with respect to such other lands or interests. The unit termed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage loterance of 10%, provided that a larger unit may be formed for an oil well or pass well or horizontal completion shall not exceed 80 acres plus a maximum acreage loterance of 10%; provided that a larger unit may be formed for an oil well or horizontal completion to conform to conform to conform to exceed 80 acres plus a maximum acreage loterance of 10%; provided that a larger unit may be formed for an oil well or horizontal completion to conform to conform to any well spacing or density pattern that may be prescribed by applicable law or the appropriate governmental authority, or, if no definition is so of its well made and well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel, and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production feet conducted under normal producting conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completi

such part of the leased premises

- . The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.
- 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of rea covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in
- other lands in which Lessor how or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabolage, rebellion, insurrection, rict, strike or production or failure of nurshager or carriers to take as transpared each production or land production or part of the production or part of obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.
- Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to
- purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other 16
- operations.

 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

 DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

N WITNESS WHEREOF, this lease is executed to be effective as of the date neirs, devisees, executors, administrators, successors and assigns, whether or neirs,	first written above, but upon execution shall be binding on the signatory and the sign of this lease has been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)	
Beatrice M. Glever	
Bentrice M. Glover	By:
ACKN	NOWLEDGMENT
STATE OF <u>Texas</u>	
COUNTY OF $\underline{\text{Tarrant}}$ This instrument was acknowledged before me on the $\underline{\int^{\S^f}}$ day of $\underline{\hat{J}}$	Ly. 2008, by: Bentrice M. Glover
This instrument was acknowledged before me on the /st day of day of stanies st	Strale Seatt
STANLEY SCOTT Notary Public, State of Texas	Notary Public, State of <u>Texas</u>
My Commission Expires May 19, 2010	Notary's name (printed): Notary's commission expires:
STATE OF <u>Texas</u>	
COUNTY OF <u>Tarrant</u> This instrument was acknowledged before me on theday_of	2008 by
This institution was acknowledged delote the bit the	
	Toyog
	Notary Public, State of T $\stackrel{\bullet}{\text{EXAS}}$ Notary's name (printed):

Notary's commission expires:



DALE RESOURCES 3000 ALTA MESA BLVD, STE 300

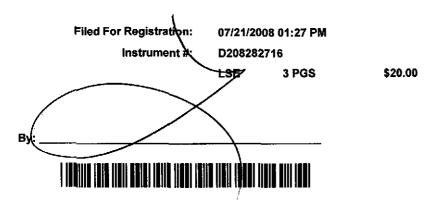
FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

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